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CHAPTER FIVE

HIRING AND KEEPING THE BEST STAFF

Each of the intelligence agencies has wrestled with determining the appropriate mix of skills to fulfill their complex missions and with identifying and hiring top quality staff. This entails meeting strict personnel security requirements, which are crucial components of staff eligibility when working with national security information.

The next decade will tax all federal agencies' abilities to recruit and retain a talented, diverse workforce. The intelligence agencies will face even greater challenges than many others, in large part because of the skill mix they require. In addition, there will be increasing competition from the private sector for people with these skills, especially for members of minority groups.

This chapter focuses on the intelligence agencies' staffing levels over time, their efforts to recruit and retain top quality staff, and the extent to which personnel security requirements affect those efforts.

Authorized staffing levels in the intelligence agencies have fluctuated over the past 20 years in all but the military departments' intelligence components.

Table 1

Staffing Authorization Levels

Intelligence Community Agencies

<u>Year</u>	<u>CIA</u>	<u>NSA-Civ</u>	<u>NSA-Mil</u>	<u>NSA-All</u>	<u>DIA</u>
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The staffing levels at CIA, NSA and DIA levels decreased in the 1970s, when the war in Southeast Asia ended. In retrospect, the agencies report that applying these cuts led to loss of intelligence capability in many areas. Cuts in DIA, for example, reduced that agency to single analysts, without backup, in many areas and eliminated the capability to generate products on some areas of the world, notably on Third World military and political developments.

With the exception of the CIA and the Foreign Service, the intelligence agencies decreases in authorized positions must be handled as they are at other executive branch agencies. For example, all but CIA and the Foreign Service are subject to reduction in force (RIF) procedures as specified by the Office of Personnel Management (OPM), and each has established procedures or follows those in the Federal Personnel Manual, Chapter 351. Should it need to do so, CIA would invoke regulatory provisions to reduce staffing levels. Although all of the intelligence agencies have faced reductions through the years, RIFs have been rare. There were two staff reductions at CIA in the 1970s, one at DIA in the early 1970s and one at the State Department in 1954.

While staff reductions have had impacts, the rapid and sizeable buildup in the IC agencies beginning in 1981 and continuing through 1987 has also had a great affect. Agencies did not initially achieve the staffing levels Congress intended, and many vacancies persisted until the recruitment systems could be revitalized. Also, experienced staff had to be diverted from operational missions to train the large numbers of new employees.

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These staffing level fluctuations have created management problems in the intelligence agencies, problems which will continue for many years. For example, 40 percent of NSA's staff have under five years of service and 50 percent are under age 35. At the same time, 29 percent of NSA employees have over 20 years of service and most of these will be eligible to retire within the next 10 years. NSA's older workers will leave and there will be relatively few experienced middle and senior level managers and technicians in the organization.

There is always the potential for future staffing fluctuations. For example, DIA faced a proposed five percent staff reduction in fiscal year 1989 under the Goldwater-Nichols DOD Reorganization Act. The Secretary of Defense has determined that none of the DOD staff reductions will be applied to DIA. Thus, for the short term, the DIA workforce has avoided a downward staffing cycle, which would have been implemented independent of DIA program commitments.

Conclusions and Recommendations: Changing Authorization Levels

The NAPA panel notes that strength fluctuations are inevitably the result of budget and political considerations and are often passed on to IC agencies as "fair share" reductions, seemingly

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without regard to their impact on national security priorities. If cuts must be made for overriding political considerations, then the panel believes the intelligence committees of the Congress and the president must realign priorities consistent with workforce adjustments. In the panel's judgment, the intelligence agencies need more focused strategic planning, so that workforce levels can be more closely tied to the nation's intelligence needs.

II. RECRUITING THE BEST AND BRIGHTEST

The intelligence agencies recruit for a vastly diverse range of skills, and emphasize the nature and importance of their missions as a primary means of enticing top quality candidates into their respective organizations.

The CIA, NSA, DIA and FBI have relatively sophisticated recruitment programs, with CIA's and FBI's involving central direction complemented by decentralized recruiting locations. The CIA has ☐ permanent recruitment activity centers, and the FBI uses its special agents-in-charge at various locations as primary recruiters. NSA's and DIA's programs entail central direction and regular site visits, but they have no resident recruiting stations. All four agencies recruit heavily from at colleges and universities, with NSA and DIA working to attract people with prior military experience.

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The military department intelligence components and the Department of State's INR, as part of larger organizations, do not have separate recruiting units. Most military recruiting is decentralized to individual personnel offices, although the Navy's is done centrally, through the Naval Intelligence Command. INR has little turnover among its Civil Service staff, and Foreign Service positions are filled through the department's centrally run reassignment program.

A. Varying Success for Critical Skill Recruiting

To provide a baseline for the NAPA panel comparison, each intelligence agency identified those five critical occupations most needed to accomplish their mission, and provided recruitment and retention data for these occupations. The CIA and NSA report having been able to successfully staff the mission critical positions identified in the Conference Report to the 1988 Intelligence Authorization Act. They attribute this to:

- (1) premium pay scales which make them competitive with the private sector in most areas;
- (2) a challenging and interesting work environment; and,
- (3) good advancement and career opportunities.

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Security requirements, which make many foreign-born or native speaking linguists ineligible for employment, compound the problem. One solution, as advocated and practiced by NSA, is to hire individuals with an aptitude for and interest in languages and train them in the languages needed. Although it has proven successful, this is a time-consuming and costly process.

Most IC organizations have continuing problems recruiting and retaining secretarial/clerical and other support staff, especially in high-cost metropolitan areas. For example, in fiscal year 1987, the FBI's resignation rate for support personnel was 11.66 percent in New York City. In early 1988, that office had 60 vacant support staff positions. The problem is not as severe in smaller population areas. NSA, located near but not directly in a major metropolitan area, has relative stability within its clerical workforce. High turnover in these positions in major metropolitan areas is a fact of life, and special pay rates notwithstanding, will likely continue in the future.

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**Conclusions and Recommendations: Varying Success
for Critical Skill Recruiting**

The panel believes CIA's and NSA's higher levels of satisfaction with the recruiting efforts and the quality of their recruits is primarily the result of the flexibility Congress has granted them in appointing and compensating staff. These agencies have effectively used their authority to set special salaries to meet most of their critical skill needs.

It is not clear to what extent DIA's relatively new exempt system will enhance their recruiting capabilities, but the panel believes the tools are clearly in place for them to design a program, and the agency reports growing satisfaction with its new systems. When the military department intelligence components implement their new authorities in January 1989, they will also be in a better position to meet their hiring needs.

The Bureau of Intelligence and Research appears to have no problems recruiting for specialized skills, which they fill through civil service positions. The Foreign Service reassignment process does not appear to create incentives for officers to spend a tour in INR. However, this is an issue for the Department of State to address, rather than the Congress.

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The exception will then be the FBI, which will be the only intelligence agency remaining under Title 5. Based on the FBI's recruiting difficulties for specialists, and the successes achieved by CIA and NSA, the panel believes Congress should grant the FBI personnel flexibility comparable to that provided the military department intelligence components. Because FBI staff move in and out of counterintelligence work, and there is thus not an identifiable cadre of staff, the panel believes such authority should be provided for the entire Bureau.

B. Continuing Difficulty Predicted

Current graduation figures from U.S. universities indicate that it may get increasingly difficult to meet some of the critical skill needs of the intelligence agencies. This is particularly true for engineers. In 1982, non-citizens and naturalized citizens together accounted for 15 percent of the bachelor degree holders, 22 percent of the masters, and 36 percent of the Ph.D.s in the U.S. engineering labor force. This trend continues. In 1986, the proportion of doctorates in the engineering disciplines earned by U.S. citizens were:

DRAFT**Table 2****Proportion of Engineering Ph.D.s Who Are U.S. Citizens**

Electrical Engineering	41.2
Chemical Engineering	46.0
Civil Engineering	31.5
Mechanical Engineering	38.2
Other Engineering	42.4

With the number of foreign-born applicants to engineering graduate programs exceeding the number of U.S.-born, these figures will probably not decrease. This trend affects other fields as well. The National Research Council reports rising proportions of doctorates granted to non-U.S. citizens since 1958. (See Table 3.)

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Table 3

Proportion of Ph.Ds Granted in the U.S. and Received by U.S. Citizens

<u>Degree Field</u>	<u>1958 Proportion US Citizens</u>	<u>1978 Proportion US Citizens</u>	<u>1986 Proportion US Citizens</u>
*Computer Science	-	70.2	50.9
*Mathematics	85.3	73.9	50.3
*Electrical Eng.	77.4	52.7	41.2
*Chemical Eng.	88.7	48.7	46.0
*Civil Eng.	69.2	38.6	31.5
*Mechanical Eng.	76.4	52.8	38.2
*Other Engineering	79.6	55.0	42.4
*Foreign Lang/Lit	85.4	84.3	64.9
Biochemistry	86.4	81.2	80.6
Business & Mgmt	91.7	75.0	61.4
Econ/Econometrics	77.4	66.6	55.1
History	91.2	91.9	82.6

*Indicated in the Conference Report to the 1988 Intelligence Authorization Act as critical skill shortages.
Fields other than those identified as critical skill shortages in the Conference Report are provided to show comparisons.

Source: Summary Report 1986: Doctorate Recipients from United States Universities. Office of Scientific and Engineering Personnel, National Research Council.

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At the bachelor's degree level, the proportion of graduates from U.S. universities who are foreign or naturalized U.S. citizens has not increased as greatly. Some analysts believe it is the high salaries available in some of these fields that entice undergraduate degree holders into the workforce-- not necessarily the public sector -- rather than into graduate schools. These salaries are especially attractive when compared to the high cost of attending graduate school.

Another factor which may contribute to the U.S. citizen/foreign citizen ratio in U.S. graduate schools is the change in federal policy away from fellowships to individual students, with the expectation that more students would be supported as research assistants on projects funded by the federal government. Federal fellowships nearly always required that recipients be U.S. citizens. One unintended consequence of the shift is that research projects, which often do not require U.S. citizenship of participants, have permitted more foreign student support.

In some areas, intelligence agencies can bring in undergraduate degree holders or people who show potential in an area and provide the requisite training to bring them to the skill level the IC needs. As noted earlier, NSA does this to fulfill its foreign language skill requirements. This cannot be done when the level of

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skills can only be attained in an advanced degree program, as would be the case, for example, with a computer engineer. This is because the intelligence agencies must comply with the Government Employees' Training Act (GETA). The Act prohibits agencies from paying tuition or permitting staff to attend training during working hours if the sole purpose of the training is to attain a degree or learn a new skill. The agencies can pay for individual courses related to current work or an employee's next assignment. However an intelligence agency cannot, for example, decide that -- rather than hiring four new mathematicians with Ph.D.s -- it will send four of its best mid-level mathematicians to get Ph.D.s.

Conclusions and Recommendations:

Continuing Difficulty Predicted

Recruiting to fill critical skill positions will grow more difficult and competitive in the fields noted in the Conference Report, and possibly in other areas. The panel cannot tell intelligence agencies to "work harder" to attract talented applicants when citizenship requirements prevent them from hiring an increasing percentage of those earning advanced degrees, or statutes prevent them from recruiting staff with high potential and providing additional education.

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The question of providing graduate fellowships, limited to U.S. citizens, is one for the Congress to decide. This study cannot determine whether a larger pool of graduates who are U.S. citizens would resolve critical skill shortages. Among the options Congress can consider is whether grants requiring that recipients work in public service for a few years (similar to grants to teachers in the 1960s and 1970s), would help resolve the problem.

It appears that there are no shortages of U.S. citizens among undergraduate degree recipients, but that good salaries or other incentives deter them from going into debt to go to graduate school. The panel recognizes that the executive branch sought congressional consideration of a proposal for an exemption to the Government Employees' Training Act, so that all agencies can pay for degree-related training when this will clearly help a federal agency or department fulfill its mission. If the executive branch proposals are not submitted to the 101st Congress, the panel recommends the intelligence agencies seek an exemption on their own.

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The panel believes that the intelligence agencies need to be able to hire, when needed, selected military retirees with unique skills. The agencies also need to be able to compensate these individuals at a level that will give them the incentive to work in an intelligence agency when needed. The panel recommends that the head of each intelligence agency be authorized to issue a dual compensation waiver for specific individuals, designated for specific positions of critical importance to the agency. An annual reporting requirement to the congressional intelligence committees should be built into this process, given the sensitivity of this matter.

D. Predicted Changes to Agency Skill Needs

The IC agencies do not project dramatic changes in the composition and skill needs of their workforce over the next decade. Advancing technology will continue to change the composition of the CIA workforce as more sophisticated technical systems create the need for more engineers and engineering support personnel. The agency projects a continued decline in the size of the secretarial/clerical workforce because of increasing automation.

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NSA anticipates future skill requirements will not change greatly in the near future. What will be needed are people who possess a blend of skills, most likely developed within the agency's on-board staff. DIA projects the need for its intelligence analysts to be more computer literate and to have more personnel who can understand the technology that drives the U.S. collection effort.

The FBI projects a need for more language specialists and bilingual special agents. The Bureau also expects to need more technically proficient staff in record keeping and fingerprint identification activities.

Neither INR nor the military department intelligence organizations project significant skill changes other than greater ADP literacy.

E. Recruitment Coordination Lacking

Each IC agency recruits to meet its own hiring requirements, and does not share employment information or refer potential candidates when they are unable to hire them. The only formal coordinating mechanism is the Defense Intelligence Special Career Automated System (DISCAS), which is used by DIA and the military departments' intelligence components. This system is only for DOD civilians, and would not pertain to entry level hiring.

DRAFT**Conclusions and Recommendations: Recruitment Coordination**

The panel believes that many of the talented people who are not hired by one of the intelligence agencies may meet the hiring requirements of another. Rather than force these applicants, many of whom have passed security clearance procedures, to go through another agency's full application process, the NAPA panel recommends that the intelligence agencies seek ways to increase coordination of entry level recruitment. This may be particularly helpful in times of constrained resources, when agencies seek to reduce recruiting costs.

III. IMPACT OF PERSONNEL SECURITY REQUIREMENTS ON RECRUITING

There was not a great deal of data to support anecdotal statements that lengthy security processing time causes IC agencies to lose qualified applicants. Further, there was no evidence that the security processing times adversely affected the quality level of the applicant pool. Section XX of Volume II contains a matrix which compares security procedures and timeframes for all intelligence agencies. Presented here is only the information which relates to recruiting issues.

Medians and ranges of time (depending on how data was kept by agencies) for security processing are in Table 4:

DRAFTTable 4Timeframes for Security Clearances

<u>Agency</u>	<u>Median</u>	<u>Range of Time</u>
CIA		4 to 6 months
NSA*	5 months	
DIA*	3 months for DIS, 3 weeks for DIA	
FBI		1 to 2 months
MI depts*		6 to 9 months

*Field work done by the Defense Investigative Service (DIS)

CIA statistics on the status of applicant cases indicate that there are very few losses of qualified candidates during the medical and security employment processing.

The FBI indicates that applicants for special agent positions generally understand processing timeframes -- again, not all security-related -- but even among this group they encounter increasing numbers of candidates in critical skill areas who will not wait a long time for a job offer. The problem is especially critical for applicants for computer related and electronic engineering positions in headquarters. The Bureau "regularly loses the opportunity to compete for some of these people" because of preemployment processing requirements.

NSA maintains that the five months for security processing are essential for a thorough investigation. By law, NSA cannot issue interim Special Compartmented Information (SCI) access clearances.

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NSA can make a modified commitment to hire after a favorable polygraph, and after a National Agency Check can issue a Limited Interim Clearance. This permits NSA to bring an individual on board before the Special Background Investigation is completed. While such new staff members cannot work in areas requiring access to SCI, they can take entry training courses and work in other areas, and NSA doesn't risk losing a good recruit. NSA emphasized that very few staff granted a Limited Interim Clearance are later denied SCI access.

DIA noted that security processing means there is a long vacancy period for positions that must be filled from outside the agency. To avoid losing clerical staff, DIA brings them on board after doing minimal security screening, temporarily assigning them to non-sensitive duties. Full clearance processing is done after the employees are on board.

The military department intelligence components, as might be expected from their security processing timeframes, most often mentioned losing good candidates because of processing delays. Staff indicated some applicants went to other IC agencies, which could process clearances faster.

DRAFTConclusions and Recommendations: Personnel Security

While it is not clear that the IC agencies, with the exception of the military department intelligence components, lose a large number of candidates because of delays in security processing, the panel believes the intelligence agencies lose considerable mission-related flexibility when they cannot bring new staff on board as quickly as they need them. No matter how effectively the agencies anticipate world events and estimate workforce needs accordingly, they cannot predict the full range of, for example, terrorist activities or popular uprisings. They thus need to be able to add new expertise when needed -- often quickly -- and the security investigation timeframes may sometimes inhibit this.

Security procedures must be sufficiently rigorous to give the agencies full confidence in their thoroughness. However, the NAPA panel believes that there may be room for innovation -- such as that employed by NSA in issuing Limited Interim Clearances. The panel further suggests that agencies examine their processing times and determine whether the timeframes are due to thorough investigative procedures, backlogs or other factors.

Given the length of time it takes to clear new employees in the military intelligence components-- six to nine months -- and that staff leave because of the lack of civilian career opportunities, it is amazing these entities can function as well as

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they do. The panel believes the clearance delays for these agencies must be reduced. To the extent that the timeframe is largely due to processing in the Defense Investigative Service, the IC agencies should work together with that service to address these issues.

IV. Retaining Talented Staff

As Table 5 show, attrition rates within most IC agencies, are below the private sector and federal government averages.

Table 5

Intelligence Agency Attrition Rates

<u>Agency</u>	<u>1987 Attrition Rate</u>
CIA	4.7
NSA	5.0
DIA	8.7
FBI	9.0

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While the rates have remained relatively stable for most of the agencies cited in Table 5, the FBI's overall attrition rate grew from 6.5 percent in 1983 to 9.0 percent in 1986. It remained at that level for fiscal year 1987. A large number of those who left were in offices in large metropolitan areas.

The Bureau of Intelligence and Research has built-in turnover for its Foreign Service staff, who stay approximately three years and then return to an overseas posting. There is little turnover among the civil service professional staff, often less than six per year, and most are voluntary retirements. INR does have a problem with secretarial turnover; approximately 10 have left in each of the past five years.

Attrition data for the military department intelligence components is not available in the aggregate because of their decentralized personnel systems. Data from those segments which were able to provide it indicated wide variations, and appears closely related to the geographic location of the activity. Components located in the Washington area report attrition in the 20 percent range, while activities in other areas report attrition levels below 10 percent in critical skill categories.

Only the military agencies emphasized that the staff they were losing were among their best; they believed many went to other agencies in the IC which have greater career opportunities for civilian staff.

DRAFTConclusions and Recommendations: Retaining Talented Staff

In the panel's judgment the current attrition rates reflect a healthy condition at CIA, NSA and INR. While too low a level of turnover can impede an organization, staff stability is an essential condition for effective mission accomplishment. The panel believes the retention rates should be monitored closely at DIA, the FBI and the military department intelligence components.

The situation in the military service agencies may improve with the implementation of the recently granted personnel authorities. However, because of the fewer opportunities for career advancement, these agencies will continue to have greater retention problems. Also, the more limited career opportunities in these agencies, given that many positions are filled by uniformed staff, will cause talented staff to seek the greater opportunities offered in the other IC agencies.

IV. CONCLUSIONS: CHAPTER FIVE

The panel's central finding is that those intelligence agencies with sufficient flexibility in their appointing and compensation personnel authorities to compete with the private sector have met the challenge of large staff growth. This has

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occurred at a time when most federal agencies have had difficulty competing in the employment market for talented people with highly sought technical skills. Intelligence agencies who do not have the flexible appointment authorities or ability to to set pay rates to meet market demands have had more problems in attracting staff.

Once the intelligence agencies hire people, their attrition rates indicate, and our study confirms, that the challenge of the work provides a strong incentive to stay. The panel cautions, however, that in the projected highly competitive job market of the next decade, staff may find the gap between intrinsic and extrinsic awards too great, and may more often leave the IC.

Given the strategic trends in the intelligence function and the demographic, social and economic trends in U.S. society, the panel reaffirms the need to continue these flexible personnel authorities. Further, the panel recommends the FBI's authorizing legislation be changed so that its authorities conform to those of the other IC agencies. This would enable that agency to better fulfill the nation's counterintelligence responsibilities.

Neither Congress or the intelligence agencies can predict the nature of the future workforce or the skill mix the agencies will need to most effectively accomplish their missions. Given this natural uncertainty, the panel wants to reinforce its belief that

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the intelligence agencies need the flexibility to adjust appointment authorities and pay rates. This discretion will be the best predictor that the intelligence agencies can meet their future workforce needs.

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